



# NEWS RELEASE

*Office of the  
United States Attorney  
for the  
District of Nebraska*  
**Joe W. Stecher**

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September 21, 2009

United States Attorney Joe Stecher and the Internal Revenue Service, Criminal Investigations Division, announce the following information for the attention of the media:

**Event Triggering this Release:**

Siyad Warsame Ali, 35, a citizen of Somalia, was sentenced for aiding in the preparation of false United States Individual Income Tax Returns. On February 24, 2009, a jury returned verdicts of guilty as to 10 counts of preparing false returns. The Honorable Laurie A. Smith Camp sentenced Ali to thirty-three (33) months imprisonment. If he is not deported, Ali will begin a one-year term of supervised release upon the completion of his imprisonment.

Ali was a tax preparer, working out of his own business, Cedar Tax Services, located at 4831 Dodge. Ali prepared a large number of tax returns for Sudanese immigrants. Ali's scheme involved falsely claiming fraudulent dependents, typically foster children, on the clients' income tax returns so that the clients could ultimately receive larger tax refunds. In preparing the returns, Ali either provided the clients with the fraudulent dependent information to include the name of a foster child and his/her Social Security Number or in other instances offered to use the clients' relatives as dependents without determining whether they qualified. By falsely claiming dependency exemptions, earned income, child care and fuel tax credits, the taxpayers were able to significantly increase the amount of their tax refunds.

The false returns prepared by Ali typically requested a Refund Anticipation Loan. Frequently, a false return would claim a tax refund of up to \$5,000.00. Ali would take anywhere from \$500.00 to \$3,000.00 per refund check.

Evidence presented at trial included taped conversations involving Ali and a cooperating witness working with the Internal Revenue Service. During the conversation on March 15, 2005, Ali agreed to locate a dependent for the cooperating witness as he had done the year before but cautioned that it was late in the season to find a dependent. The Internal Revenue Service investigation identified at least 30 tax returns involving 23 individuals whose tax returns were fraudulently prepared by Ali. The tax loss to the United States resulting from these 30 returns alone totaled \$98,447.00. The individual taxpayers were audited by the Internal Revenue Service and have either repaid or are in the process of repaying the fraudulent amount of their 2003 and 2004 returns.

**Name of Defendant:** Siyad Warsame Ali

**AKA:**

**Crime(s) Charged and Potential Penalty** (A CHARGE is merely an accusation and every defendant is presumed innocent until and unless proven guilty): Aiding and Assisting in the Preparation and Presentation of False and Fraudulent Individual Income Tax Returns Containing False Deductions; Maximum penalties: three years imprisonment, up to a \$250,000 fine, or both imprisonment and fine, three years of supervised release, and a \$100 special assessment as to each count.

**Specific Location of Alleged Crime:** Omaha, Nebraska

**Location of Arrest:** Michigan

**Alleged Dollar Loss/Type and Quantity of Drug:**

**Others Charged in Same Scheme:**

**Relevant Dates:**

**Date of Alleged Crime:** On and before April 15, 2004 and continuing to April 15, 2005.

**Federal Arrest Date:** August 13, 2008

**Date Complaint Issued:**

**Indictment Returned Date:** December 11, 2007

**Initial Appearance Date:** August 27, 2008

**Plea or Trial and Date(s):** Trial held February 17-24, 2009

**Sentencing Date:** September 21, 2009

**Next Court Hearing Type and Date:** N/A

**Assigned Magistrate Judge:** The Honorable F. A. Gossett

**Held without Bond, or Released from Custody:** Released on bond during pendency of case

**In Continuous Custody Since:** Remanded to custody of U.S. Marshal on February 24, 2009,

pending sentencing

**Assigned District Court Judge:** The Honorable Laurie Smith Camp

**Initials of Assigned AUSA/Preparer of THIS Release:** MPN